

LNF & IHCIF Calculations Illustration **- WHITE EARTH in Bemidji area -**

Given Data

- 7,342 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 27% = % Expenditures on purchased services, 73% = % expenditures in-house
- 96.7% = Cost index for purchasing health care in this geographic area
- 107.1% = Size cost index for in-house costs due to small or large size
- 105.9% = Bemidji area cost index for health status above or below average

Cost Adjustment Calculations

- \$782 per person for purchased services = $27\% * 96.7\% * \$2,980$
- \$2,326 per person for in-house services = $73\% * 107.1\% * \$2,980$
- \$3,108 per person total = \$782 (purchase) + \$2,326 (in-house)
- **\$3,292 per person total** adjusted for health status = $\$3,108 * 105.9\%$
- **\$2,547 per person net cost** = $\$3,292 - \745 Other resources (M&M&PI)

Existing Expenditures (for 7,342 users excluding wrap-around and collections)

- \$967 per person = local IHS allowance (excludes \$ for wrap-around)
- \$94 per person = expenditures elsewhere in Bemidji area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,115 per person for OU users** = $\$967 + \$94 + \$54$

LNF Calculation

- **33.9% Gross LNF** = $\$1,115$ (expenditures) / $\$3,292$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **43.8% Net LNF** = $\$1,115 / \$2,547$ net cost ($\$3,292 - \745 other)

IHCIF Allocation

- \$3,033,182 = \$ to raise LNF% from 43.8% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$105,797 Allocation** = $\$3,033,182$ needed for 60% * 3.488% IHCIF fraction

WHITE EARTH Unmet Needs

- **\$18,698,890 Net Total Need** = $7,342$ users * $\$2,547$ net cost
- **\$10,512,738 Net Unmet Need** = $(100\% - 43.8\% \text{ LNF}) * 7,342$ users * $\$2,547$ net cost